

BALL JANIK LLP

A T T O R N E Y S

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July 14, 1999

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

RECORDATION NO.

22242
FILED

JUL 14 '99

12-25 PM

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Loan and Security Agreement, a primary document, dated as of July 9, 1999. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Loan and Security Agreement are:

Lessor:

Banc One Leasing Corporation
1111 Polaris Parkway, Suite A3
Columbus, OH 43065

Lessee:

Sperry Rail, Inc.
46 Shelter Rock Road
Danbury, CT 06810

A description of the equipment covered by the Memorandum of Loan and Security Agreement consists of 25 induction railbound detector-inspection cars numbered SRS 118, 119, 123-132, inclusive, 134-139, inclusive, 141-146, inclusive, and 149; and 17 ultrasonic railbound detector-inspection cars numbered SRS 403, 701, and 803-817, inclusive.

A fee of \$ 26.00 is enclosed. Please return one original to:

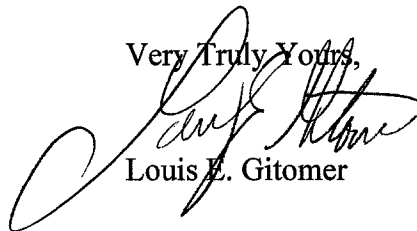
BALL JANIK LLP

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Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Loan and Security Agreement between Banc One Leasing Corporation, 1111 Polaris Parkway, Suite A3, Columbus, OH 43065, and Sperry Rail, Inc., 46 Shelter Rock Road, Danbury, CT 06810, covering 25 induction railbound detector-inspection cars numbered SRS 118, 119, 123-132, inclusive, 134-139, inclusive, 141-146, inclusive, and 149; and 17 ultrasonic railbound detector-inspection cars numbered SRS 403, 701, and 803-817, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over the typed name. The signature is fluid and cursive.

Louis E. Gitomer

Enclosures

MEMORANDUM
OF LOAN AND SECURITY AGREEMENT

RECORDATION NO.

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The parties hereto entered into that certain Loan and Security Agreement (the "Agreement") dated as of July 14, 1999, attached and incorporated by reference thereto, by and between Banc One Leasing Corporation ("Lender"), having a place of business located at 1111 Polaris Parkway, Columbus, Ohio 43065, and Sperry Rail, Inc. ("Borrower"), having its principal place of business located at 46 Shelter Rock Road, Danbury, CT 06810, pursuant to which Borrower hereby assigns, pledges and hypothecates to Lender and grants to Lender a continuing first priority interest in and to, all of its present and future right, title and interest in, to and under all of the following Equipment described on Schedule A-1 attached hereto.

IN WITNESS WHEREOF, each of the undersigned pursuant to due corporate authority has caused this Memorandum to be duly executed in its respective corporate name by an officer duly authorized and hereby declares pursuant to 28 U.S.C. 1746 under penalty of perjury that this Memorandum is a true and correct document and was executed as of this 9 day of July.

Banc One Leasing Corporation

BY: [Signature]

ITS: Officer

Sperry Rail, Inc.

BY: [Signature]

ITS: CFO

STATE OF Connecticut)
COUNTY OF Fairfield) ss.

On this 9th day of JULY, 1999, before me personally appeared HAROLD B. FINDLAY
to me personally known, who being by me duly sworn, says that he is the CFO of
Sperry Rail, Inc. , that the foregoing instrument was signed on behalf of said corporation, and he
acknowledged that the execution of the said instrument was the free act and deed of said corporation.

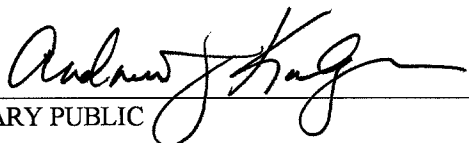
BARBARA M. HICKS
NOTARY PUBLIC
MY COMMISSION EXPIRES MAR. 31, 2000

Barbara M. Hicks
NOTARY PUBLIC

My commission expires: _____

STATE OF OHIO)
) ss.
COUNTY OF DELAWARE)

On this 12th day of July 1999, before me personally appeared Timothy L. ELLERBROCK, to me personally known, who being by me duly sworn, says that he is the Officer of Banc One Leasing Corporation, that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was the free act and deed of said corporation.



NOTARY PUBLIC

My commission expires: _____

ANDREW J. KALGREEN, Attorney at Law
Notary Public, State of Ohio
My Commission has no expiration date
Section 147.03 R.C.

Banc One Leasing Corporation

SCHEDULE A-1

QUANTITY	DESCRIPTION	PAGE
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1

LOCATION: 46 SHELTER ROCK ROAD
DANBURY, CT 06810
FAIRFIELD COUNTY

- | | | |
|----|--|--|
| 15 | REBUILT INDUCTION RAILBOUND DETECTOR-INSPECTION CARS
CAR NUMBER 118 - INDUCTION ULTRASONIC REBUILT 1976
CAR NUMBER 119 - INDUCTION ULTRASONIC REBUILT 1976
CAR NUMBER 123 - INDUCTION ULTRASONIC REBUILT 1979
CAR NUMBER 124 - INDUCTION ULTRASONIC REBUILT 1974
CAR NUMBER 125 - INDUCTION ULTRASONIC REBUILT 1978
CAR NUMBER 126 - INDUCTION ULTRASONIC REBUILT 1972
CAR NUMBER 127 - INDUCTION ULTRASONIC REBUILT 1980
CAR NUMBER 128 - INDUCTION ULTRASONIC REBUILT 1981
CAR NUMBER 129 - INDUCTION ULTRASONIC REBUILT 1973
CAR NUMBER 130 - INDUCTION ULTRASONIC REBUILT 1976
CAR NUMBER 131 - INDUCTION ULTRASONIC REBUILT 1972
CAR NUMBER 132 - INDUCTION ULTRASONIC REBUILT 1975
CAR NUMBER 134 - INDUCTION ULTRASONIC REBUILT 1978
CAR NUMBER 135 - INDUCTION ULTRASONIC REBUILT 1977
CAR NUMBER 136 - INDUCTION ULTRASONIC REBUILT 1978 | |
| 10 | INDUCTION RAILBOUND DETECTOR-INSPECTION CARS
CAR NUMBER 137 - INDUCTION ULTRASONIC BUILT 1970
CAR NUMBER 138 - INDUCTION ULTRASONIC BUILT 1971
CAR NUMBER 139 - INDUCTION ULTRASONIC BUILT 1972
CAR NUMBER 141 - INDUCTION ULTRASONIC BUILT 1973
CAR NUMBER 142 - INDUCTION ULTRASONIC BUILT 1974
CAR NUMBER 143 - INDUCTION ULTRASONIC BUILT 1974
CAR NUMBER 144 - INDUCTION ULTRASONIC BUILT 1975
CAR NUMBER 145 - INDUCTION ULTRASONIC BUILT 1975
CAR NUMBER 146 - INDUCTION ULTRASONIC BUILT 1975
CAR NUMBER 149 - INDUCTION ULTRASONIC BUILT 1986 | |
| 1 | ULTRASONIC RAILBOUND DETECTOR - INSPECTION CAR
CAR NUMBER 403 ULTRASONIC BUILT 1986 | |
| 16 | HI-RAIL ULTRASONIC RAILBOUND DETECTOR-INSPECTION RAIL CARS
CAR NUMBER 701 - HI-RAIL- ULTRASONIC BUILT 1982 1FDNN70H1BVJ38148
CAR NUMBER 803 - HI-RAIL- ULTRASONIC BUILT 1989 1FDXR82A5KVA24238
CAR NUMBER 804 - HI-RAIL- ULTRASONIC BUILT 1990 1FDXR72A8LVA17053
CAR NUMBER 805 - HI RAIL - ULTRASONIC BUILT 1990 1FDXR72AXLVA17054
CAR NUMBER 806 - HI-RAIL- ULTRASONIC BUILT 1992 1FDXR70U6GVA51222
CAR NUMBER 807 - HI-RAIL- ULTRASONIC BUILT 1992 1FDNR72C9TVA00304
CAR NUMBER 808 - HI-RAIL- ULTRASONIC BUILT 1993 1FDXR72C4PVA08020
CAR NUMBER 809 - HI RAIL - ULTRASONIC BUILT 1993 1FDXR72C8PVA08019 | |

CAR NUMBER 810 - HI-RAIL- ULTRASONIC BUILT 1993 1FDXR72C6PVA08018
CAR NUMBER 811 - HI-RAIL- ULTRASONIC BUILT 1995 1FDXR72C1SVA39623
CAR NUMBER 812 - HI-RAIL- ULTRASONIC BUILT 1995 1FDXR72C6SVA49869
CAR NUMBER 813 - HI RAIL - ULTRASONIC BUILT 1995 1FDXR72C4SVA49868
CAR NUMBER 814 - HI-RAIL- ULTRASONIC BUILT 1996 1FDXR82E2SVA82343
CAR NUMBER 815 - HI-RAIL- ULTRASONIC BUILT 1995 1FDXR82E4SVA82344
CAR NUMBER 816 - HI-RAIL- ULTRASONIC BUILT 1995 1FDXR82E3TVA13940
CAR NUMBER 817 - HI RAIL - ULTRASONIC BUILT 1995 1FDXR82E2TVA13735

TOGETHER WITH ALL ATTACHMENTS, ADDITIONS, ACCESSIONS, PARTS,
REPAIRS, IMPROVEMENTS, REPLACEMENTS AND SUBSTITUTIONS THERETO.